

USAID/DFID/World Bank Governance Roundtable
Toward Better Strategies and Results: Collaborative Approaches to Strengthening Governance

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Meeting Summary

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KEY THEMES

- **What is Governance?** There is no standard definition of governance across donor agencies and thus no common assessment tool. Several participants asked what a Millennium Development Goal on governance would look like, but no clear answer emerged. Some consensus emerged around *participation, legitimacy, accountability, inclusiveness, transparency, effectiveness, and authority* as key elements of governance.
- **Democracy and Development:** Donors adopt divergent approaches to democracy, with some seeing it as a central goal, others staying away from it entirely, and a third group embracing democratic principles of governance but wary of explicitly promoting democracy per se. These differences reflect distinct institutional philosophies and are unlikely to be fully resolved. Yet participants agreed that the areas of consensus are larger than the areas of difference and constitute sufficient common ground for joint thinking and action.
- **Developing Theories of Change:** More research is needed to get beyond intuitive theories on the importance of governance and better inform governance interventions. A grand theory on the relationship between democracy, governance, and development is probably not realistic but participants agreed on the need to develop *mid-range theories of change* which can explain what types of interventions are likely to work in different subsets of contexts. This will be crucial to advancing the idea of *best fit* institutions. If individual projects reflect their own mini theories of change, these theories can be tested and contribute to a broader understanding. Both quantitative and qualitative methodologies can be helpful in this research, though participants disagreed somewhat on the relative merits and limitations of each approach.
- **Managing Risk:** Governance assistance must face several different types of risk. First, public sector projects are particularly susceptible to *corruption*. Donors are still struggling with how to manage expectations in this area without creating moral hazard. Second, donors are scaling up governance work in *conflict-affected and fragile states* where risks are much higher. Finally, *testing and developing theories of change* requires experimenting with new approaches and accepting the possibility of failure. Yet given intense pressure for results, donors do not want to appear to be failing. Additionally, institutional incentive structures often discourage staff from taking risks.
- **Integrating Governance across Sectors:** Most donors are in the process of establishing governance as a cross-cutting theme across socioeconomic areas of development, but are still unsure exactly how to do this. Considerable governance work already occurs within sectors, but it is often not mapped or coordinated. Integration will require breaking down silos between sectors and overcoming bureaucratic resistance.
- **Measuring Impact:** Participants expressed a high level of dissatisfaction with current tools to measure the results of governance programs. They discussed the need to develop better performance indicators and create a convincing narrative around governance assistance.
- **Next Steps:** There was substantial interest in joint work in developing governance metrics and theories of change as well as experience sharing on integration, risk-management, and evaluation. Participants also suggested collaborative thinking on the place of governance in a post-2015 development framework.

FRIDAY JUNE 10, 2011

Session 1: Setting the Scene

Opening Remarks: Thomas Carothers, Carnegie Endowment for International Peace

Governance has gained tremendous ground over the past two decades within the development community and may constitute the foundation of a revolution in development assistance. Yet the governance community has a nagging sense of pessimism, for three main reasons:

- 1) Evidence that governance is crucial to development is complex and mixed. Scholarly debate on this issue will probably continue indefinitely and we will not get the certainty we want in terms of a single overarching theory of developmental change.
- 2) We are not sure about our ability to deliver results or how to measure them; some core areas of governance work, like civil service reform, have not performed well.
- 3) Broader development trends appear unfavorable to the governance agenda: waning public support for development aid; multilateral structures or frameworks of development aid such as the MDGs and the aid effectiveness principles which do not emphasize or favor governance; and the fact that new aid actors such as China do not emphasize governance.

Governance assistance has evolved steadily since emerging in the mid-1990s. Six key insights have emerged and built upon each other to drive the evolution of governance assistance:

- 1) *Governance is political, not technical.* This insight led to the rise of political economy analysis, which has made considerable progress in some institutions but not very much in others.
- 2) *We need to work on the demand side, not just the supply side.* A focus on fostering greater citizen demand for better governance grew out of frustrating encounters with change-resistant state institutions. This insight gets rediscovered over and over again by donor actors. Yet debate continues over whether citizen action really leads to improved governance.
- 3) *National level change is difficult, so we should focus on the local.* Going local is another response to frustration with blockage at the top. This idea has faced resistance from those who believe progress is not possible without solving national-level issues.
- 4) *Aim for best-fit institutions, not ideal ones.* Instead of trying to get perfect governance, we should focus on incremental improvements. Yet some see this approach as condescending, while others say it is too difficult to determine best-fit institutions in every context.
- 5) *Governance must be integrated into socioeconomic sectors.* This idea is gaining ground but is hindered by a lack of sectoral knowledge among governance specialists and bureaucratic resistance.
- 6) *Doing governance assistance well means changing how we work.* What we have learned about governance assistance points to doing more labor-intensive and smaller projects, working across institutional silos, challenging partner governments, and accepting incremental change over long periods of time. These are all difficult things for aid agencies to do.

The first three insights have more or less become conventional wisdom, but the last three are still only just starting to be taken up seriously within aid organizations. Another question which comes up constantly is the relationship between democracy and governance. Three main positions have emerged. Some think it is better to keep them separate, others argue they should be fused, and a third group believes they are somewhat linked but it is better not to provoke controversy by coming down on one side. I don't think we are going to solve this problem or reach a consensus.

Questions and Comments

Developing a theory of change

- If we cannot establish a definitive connection between governance and development, how can we develop best-fit strategies? We should at least be able to say that certain interventions are more likely to be successful than others.
- A consolidated grand theory of change is not possible, but lower level theories of change on specific issues should be pursued. We can develop small insights that constitute a helpful body of research.
- Political economy insights are primarily retrospective and provide us a wealth of excuses for project failures, but we need to be able to make useful predictions for the future. If we have more projects informed by political economy analysis from the beginning, we can develop small-scale and testable theories of change. We should not be ashamed if we sometimes get it wrong; that is how you build up knowledge.
- Governance assistance can only have limited impact. Instead of looking for perfect theories, we should get good enough ideas and link them to practice on the ground.

Integrating across sectors

- What does integrating governance into the sectors mean in practice? How do we break down barriers between sectors? We need experts who speak two languages, that of governance and that of a sectoral area such as health or education.

International factors

International drivers of governance

- Instead of going down to the local level, maybe we should go up to the international level and consider the impact of various global norms and practices on governance. For example, international avenues for anticorruption are necessary to address supra-national causes of corruption.
- The implication of this could be that aid is relatively marginal to governance outcomes.

International aid agenda

- If we were to have a Millennium Development Goal for governance, what would it be? This might have to be agency specific given different organizational mandates.
- If we can agree on some principles of governance, we can develop an action plan that we all support and get it on the international agenda.

Debating democracy and development

Participants engaged in a lively discussion on the proper place of democracy within the governance agenda. Donors presented their institutional perspectives on democracy support and explained how this influences their governance work. Participants also debated the contribution of democracy to development outcomes and attempted to identify which aspects of democratic governance are most important to development.

Donor perspectives

- USAID is moving toward trying to fuse democracy and development goals. What does that mean when we work in Ethiopia or Rwanda? It could mean that we embrace the position of doing no democratic harm and find a way to make that a programmatic imperative.
- UNDP believes democratic governance is both a means and an end. If you have a normative framework, the rationale for working in the area is less dependent on rigorous evidence relating governance outcomes to other development results. This is still contested within the organization, but it is where we are moving. Yet this does not mean we promote democracy (we focus on democratic governance) or believe that one size fits all.
- DFID comes down in the middle ground on democracy and development; the language of democracy can be very polarizing and make work difficult in some countries. Yet governance principles clearly bear relation to democratic norms.
- The World Bank cannot say it supports democracy due to political constraints, but it is increasing work on demand-side governance.

Democracy skeptics

- Democracy may be better for development in the long run than authoritarianism, but there is considerable variance in the short term. If we are about development, nothing should matter except improving the welfare of people in the developing world. China has moved more people out of poverty than any other country. Shouldn't China be considered well governed in development terms?
- States with partially democratic institutions may be more prone to conflict than stable democracies or stable authoritarian states.

Democracy supporters

- Authoritarian governments can produce socioeconomic progress, but that progress is inherently fragile and limited. Simple sequencing theories are problematic because consolidated authoritarian regimes are less prone to conflict until the moment they collapse.
- Democracy and human rights are not just Western ideals. We already have a normative framework and an international human rights architecture which most countries have signed on to. Can we use that more effectively in development work? We should also pay attention to local demands through survey data. Ordinary people are often demanding human rights and democracy.

Unpacking democracy

- It is possible to have autocratic governments with economic freedom and elections with illiberal governments. We should take an unpacked approach based on outcomes.
- We would have a better chance of consensus if democracy advocates distinguished between two variants of the intrinsic argument: the idea of certain basic freedoms and the view that you need textbook democracy. We need to look at both formal and informal mechanisms and systems of accountability. We should be facilitators of processes, not exporters of institutions.
- There is emerging consensus on the importance of political inclusion, transparency, accountability, and responsive government. The biggest source of division is over the necessity of elections. Some lament the fact that conventional measures of democracy have elections as a crucial trigger and wonder whether it would be better to highlight other characteristics of

democracy. If elections were not the main distinguishing factor, correlative analyses of democracy and development outcomes may come out differently.

Demand-side approaches

- We have been naïve about how we approach civil society. The development community is going through the same painful process the democracy community went through in the 1990s in discovering the limits of civil society assistance.
- Civil society tends to be more responsive to donor organizations than to public needs. How do we change that?

Session 2: Lessons from Donor Approaches to Governance

Opening Remarks: DFID

DFID's concept of governance

Good governance is made up of *state capability*, *accountability*, and *responsiveness*. State and peace-building requires developing core state functions, supporting inclusive political settlements, and responding to public expectations.

What have we learned?

- 1) *Programs*: DFID is increasingly emphasizing accountability and responsiveness. Governance within sector projects is central to our governance portfolio but is underrepresented. Governance research and governance advisers are having an important impact on programs. Working with other UK government departments has also been crucial to our effectiveness. The overall performance of our governance portfolio is only 2% lower than the DFID average, yet DFID and global donor practice in assessing governance work needs improvement.
- 2) *Research*: We must think and work politically. Governance changes are long-term and internally driven. Donors should support best fit rather than best practice. We must focus on state-society relations and take account of international drivers.

New directions

- 1) *Programs*: We are going to focus on six main areas: fragile states, governance work in traditional sectors, institution-building, anti-corruption, international and regional drivers of weak governance, and gender issues
- 2) *Research*: We are launching new research programs in fragility, governance in more stable environments, taxation, and impact evaluation. We are doing internal work on program design to develop better theories of change. We are looking for collaboration with other donors to design and fund governance research.

Opening Remarks: World Bank

The World Bank's definition of governance is how the state exercises authority in the management of a country's resources.

Three tensions in the Bank view of governance:

- 1) *Governance and anti-corruption.* The initial discussion of governance at the Bank was narrowly focused on anti-corruption, and specifically on protecting the Bank's money. Governance and anti-corruption are now being separated, and instead of zero tolerance for corruption we are moving toward ex ante appetite for risk and ex post zero tolerance for corruption.
- 2) *Governance and public sector management.* Public sector management is rather narrowly defined and the demand for governance work is located outside of the vice-presidency for public sector management. It is sometimes unclear where one begins and the other ends.
- 3) *Governance as narrow vertical interventions or a cross-sector approach.* It should be the latter and the Bank is trying to think more politically, but this is still a work in progress.

New strategies

The World Bank is working on Phase II of the Governance and Anti-Corruption Strategy, and three main priority areas are risk, results, and strengthening country systems. The 10-year public sector management strategy is debating form versus function and moving away from best practice to best fit. Yet we are not sure what this means in practice or what theory guides best fit.

President Zoellick's speech on April 6 emphasized the importance of transparency, but it remains unclear whether this will signal a greater focus on accountability and demand-side approaches or how it will translate into actual Bank practice.

Opening Remarks: USAID

Changes at USAID

We have had a series of policy reviews and are elevating work on democracy, governance and human rights within the agency. We are establishing a Center of Excellence on Democracy, Rights, and Governance, whose main function will be to analyze experiences, create and disseminate knowledge, and assist field offices.

Research and evaluation

We are hoping to provide thought leadership on governance assistance and influence other donors. We envision a strong relationship with universities and think tanks, and would like to take advantage of our presence in country missions to gather empirical evidence. We are going to organize ourselves to do assessment and evaluation more effectively, but we need better metrics and data.

Areas of interest

Our three areas of substantive focus are: new strategies on governance, helping fragile democracies deliver, and protection and prevention of human rights abuses. We are also interested in focusing on leadership, anti-corruption, women and girls, and security sector reform.

Questions and Comments

Managing Risks

- Entrepreneurism and risk-taking are often encouraged from top management, but how do you institutionalize this when project staff live with annual evaluation forms that punish risk?

- We know that public sector projects are particularly susceptible to corruption, but how do we manage risk and expectations? Low expectations create moral hazard, while high expectations are unrealistic.
- *NORAD*: Our minister has shown willingness to take informed risk by stepping up work in sensitive environments such as the DRC and Guyana. Our internal challenge is to put in place a more effective risk management system.
- *Several donors*: We are scaling up in fragile and conflict-affected states where risk is high, but we have yet to clearly address these risks or how to manage them.

Working locally

- Survey data can help donors identify local concerns and priorities.
- *DANIDA*: Because Danish aid is primarily handled by the foreign ministry, our embassies play a crucial role. They tend to have considerable local political knowledge, which is useful for our programming. We operate in a very decentralized way, so our embassies have considerable autonomy.
- *NORAD*: We also have a decentralized system and most decisions are taken at the embassy level. We face the challenge of developing programs based on better theories of change.
- *SDC*: We are also decentralized and work with Swiss embassies, though we have some autonomy from the foreign ministry. We have invested substantially in building local capacity and we usually work with local program officers.
- *CIDA*: We are increasingly moving toward decentralization to the field and working more closely with our local specialists.
- *UNDP*: We are decentralized but we have particular issues with regard to our mandate. I think one of our major strengths is that we are an honest broker and can have an influencing and convening role. We sometimes lose that through an emphasis on programming and our incentive structures reinforce this tendency.

Country systems

- Donors have assumed that simply by using country systems they were strengthening them, but the impact of donors is usually marginal. We need better analysis of how our aid affects country systems.
- We are ducking the issue of country systems and looking for progress on health and education indicators without considering whether this progress is sustainable.
- *DANIDA*: We have tried to link the alignment agenda with capacity building. We have made progress on this at the intellectual level but we need to bring it down to the project level. We are bringing in a new institutional setup to integrate ourselves more fully into national processes. Right now our governance programs are highly aligned, which comes with both pros and cons.
- *USAID*: This is a big part of USAID Forward. We are making a new effort to build on existing government structures and help civil society and governments work directly with USAID.
- *CIDA*: We are moving toward fewer and longer projects so we have more ability to work with government institutions over time.

Results

- *SDC*: We have seen good results in programs on civil society participation, local government reforms, decentralization, and state-citizen relations. We have successful programs in Brazil, Benin, and Burkina Faso.
- *NORAD*: We have requested multilaterals to improve their results reporting on governance, but we recognize that we too need to improve our own results reporting.
- *DANIDA*: Our local partners often have weak theories of change, which makes capturing results a challenge.

Integrating across traditional sectors

- What is the advantage of doing human rights work under development policy rather than as part of foreign policy? We do human rights work under development policy because there can be a direct impact, and issues such as the rights of women or migrant workers are directly connected to socioeconomic development.
- *Several donors*: State legitimacy is crucial, and inclusiveness is necessary for legitimacy. We should take legitimacy into account in program work.
- *NORAD*: We are switching to a sectoral approach in our governance work, but it remains a work in progress. While we have been talking about transparency and accountability for years, we need more work on demand-side approaches and state-society relations in our sector projects. We are also trying to put a new focus on legitimacy.
- *CIDA*: Historically, democratic governance was a sector of programming at CIDA. In May 2009, CIDA announced it would focus on three Thematic Priorities moving forward: Increasing Food Security, Securing the Future of Children and Youth, and Stimulating Sustainable Economic Growth. The Agency also announced that it would continue to support efforts on the Government's priority of Advancing Democracy. Furthermore, CIDA announced that three cross-cutting themes would be integrated into all development policies and programming: 1) Governance 2) Gender and 3) Environment. CIDA's Geographic Programs Branch has developed a governance toolkit to support the integration of governance into CIDA's programming. CIDA is also in the process of drafting a policy to lay out its approach on governance as a cross-cutting theme. CIDA already has experience making gender a cross-cutting theme, so we are learning from our gender colleagues.
- *SDC*: The Swiss parliament is considering a new development strategy which will have governance and gender as cross-cutting themes.
- *USAID*: The Presidential initiatives and policy reviews are mandating a cross-cutting governance focus. Governance work is already happening within the sectors, but we need to map it.
- *UNDP*: It is a moment of tremendous change at multiple levels for UNDP, and we are in the process of drafting a new strategic vision for democratic governance, which will feed into our next corporate strategic plan. We are thinking about how best to structure our work and the implications of that. I hope we will get to a more defined view of democratic governance and a clearer theory of change.

Session 3: New Directions for Governance Assistance

Opening Remarks: Iqbal Dhaliwal, Director of Policy, J-Lab at MIT University

The Abdul Latif Jameel Poverty Action Lab at MIT was formed out of a desire to create a body of scientific evidence that helps fight poverty and translate this into actionable policy. We specialize in randomized control trials to measure the impact of programs.

J-PAL is a network of 55 affiliated professors from 29 universities, with about 260 projects in the field, about 25 of them in governance. We are also focused on capacity-building to help policymakers and local academics in developing countries do this kind of work.

Impact evaluations in governance

One of our program areas is political economy and governance, and we have already completed several interesting evaluations:

- 1) *Providing information to strengthen democracy*: Studies in India and Brazil demonstrated that distributing information about the record of politicians decreased voting for corrupt candidates.
- 2) *Women and leadership*: A study in India revealed that in districts where the head of the local council was reserved for a woman, there were significant changes in the nature of local investments and public perceptions of women leaders.
- 3) *Community participation*: A study in Uganda showed improvements in both intermediate and final health outcomes as a result of greater community participation. Yet a similar study in India did not reveal any significant change in development outcomes from greater participation. Another study showed that audits were much more effective than community participation in reducing corruption in technical projects. Training also proved more effective than community monitoring in reducing abuse by security forces.

Governance Initiative

J-PAL is launching a Governance Initiative to focus studies and create a body of knowledge from which we can draw policy conclusions. We have created a White Paper with a review of the current literature on governance and 45 questions we think need to be addressed. We will then do collaborative research and disseminate results to policymakers. We hope to pair mission directors at development agencies with scholars interested in their issues.

Opening Remarks: David Booth, Director of Africa Powers and Politics Program, ODI

The Africa Power and Politics Program is one of DFID's five-year research consortiums and represents a different example of how research-based evidence can feed into policy. We began work because of a general feeling that the governance agenda in Africa was not working very well. Our work is qualitative and builds on a decade of research through centers such as IDS Sussex, the London School of Economics, and the University of Leiden.

Research program

- 1) *Focus*: The program is dedicated to discovering institutions that work for poor people. Our main streams of work are in business and politics, state bureaucracies, parliaments, local politics, and formalizing schooling.

- 2) *Toward mid-range theories of change:* There is a sense that we need to focus on best-fit institutions, but this is difficult to operationalize. The World Bank is opening a debate on what sorts of institutional forms can meet basic state functions, which I think is the right approach. Instead of saying that best fit is an entirely new strategy in every country, our hope is to generate a body of propositions about what works in different subsets of contexts. Without theories of change, we won't get results.
- 3) *Research uptake:* Operational people need help from researchers and we have given moderately good guidance, but there is scope to do more. We already have working papers on our website, along with some policy briefs. The program is now in its final year and we are thinking hard about how to communicate our findings, but we have encountered some pushback to our more controversial conclusions.

Choice of methodology

I think our qualitative methodology is more able to develop theories about country and macro level change than randomized control samples that focus on specific interventions. Some quantitative studies are also marketed in the policy world in a way which does not reflect what the study shows. For instance, the J-PAL Uganda study was taken as a justification for community empowerment but the change it documented depended heavily on the intervention of an external group.

Questions and Comments

Debating research methodologies

- How do you determine if the effects of an intervention last beyond the timeframe of the randomized control study?
J-PAL: The vast majority of evaluation studies are over a one to two year period, but where possible there is a growing trend of tracking the treatment and control groups over time.
- What about the ethics of designating control and treatment groups?
J-PAL: All development projects have limited resources and need to choose who they will target; all we do is make that determination on a randomized basis. The denial of services to the control group is also temporary, because the idea is to scale up successful projects.
- I am skeptical of the lab approach. Institutions are complex systems and context is everything. A randomized study can determine which of two interventions is best, but it might miss a third one. Qualitative case studies don't bring certainty, but at least they don't have the same degree of extrapolation.
- The only way to build up social facts is through control and treatment. Part of the reason we don't know what works is that we haven't done this enough.
- Quantitative and qualitative methodologies are not mutually exclusive.

Research uptake

- How do we communicate controversial research conclusions? Sometimes solid evidence is there, but policy people are resistant, particularly when research goes against a rights-based perspective.
ODI: We are coming up with counterintuitive findings, but that is what social science should do. Instead of fitting the evidence to the views of ministers, I would like the ministers to be open to changing their positions.

Generalizing research into mid-range theories of change

- What degree of certainty do you need from specific studies to get a generalized proposition which can influence policy? There is considerable eagerness in the donor world to get answers, but a danger of drawing conclusions too quickly.
J-PAL: Certain things are generalizable and others are not. A program can be successful because the implementing partner was very effective and a similar program with an ineffective partner may fail. Thus we encourage pilot studies. But certain things are generalizable. For instance, study after study shows preventative medicine should be free. We are working on incorporating those findings into a policy document.
- The task of academics is to give us mid-range theories of change. We need some way to cluster projects to figure out what types of interventions are useful. We talk as if we are big players, but we are project factories. It is the way in which projects have an impact that determines the way in which we have an impact. If our conclusions are wrong, we can change, but it is too cautious to stick to specific program examples and avoid generalization.

Typologies

- In order to have mid-range theories, we need a way to develop typologies which categorize distinct country contexts.
- At the World Bank there is resistance to labeling countries. At UNDP we are now being encouraged to develop a differentiated response according to typologies, but the definition of those typologies has not yet been agreed.
- States are cross with the international community for devising fragile states lists and putting them on it. They often don't understand why they have that designation.
- Neutral sociological typologies are better than ones that convey disparagement. It is less controversial to categorize countries as urbanized and middle class or poor and rural than to say they are stable or fragile.

Governance indicators

- We have not made progress on developing governance indicators, so there is nothing to measure our performance against. Projects are considered unique and we don't compare them. At the system level, we have indicators for public sector management but not for other sectors.
- The World Bank has a Country Policy Institutional Assessment which country staff use to rate their country in terms of governance. Yet this assessment also partly determines country funding, so country staffs have skewed incentives.
- The World Bank is developing some governance indicators, but it is very much a work in progress. We have *authority* (do the rules of the state trump other rules?), *effectiveness* (state capacity), and *legitimacy* (citizen perception of right to govern) as the basic building blocks of the state. Then we look at each in a matrix with the political, economic, and social spheres. But some things, such as maintaining peace and security, do not fit into just one box.
- If we had a Millennium Development Goal on governance, what would it be? What could the World Bank get away with aiming for?

Session 4: Future Collaboration and Next Steps

Challenges to address

Rethinking governance

- One fundamental problem is that we can't articulate what we are doing, much less evaluate it. We don't have a theory of change or an agreed upon way to go from context to proposal, so we end up doing the same things over and over again.
- Are we sure our programs are not doing harm? New research raises doubts about our approach to governance programming and it is okay to have radical questioning, but the research doesn't say we should give up on governance work. We need to learn to do it better.
- A common approach to governance would be useful as the basis for more cooperation among agencies. At the same time, we should not expect to resolve all differences in donor approaches. There is some (but not total) consensus that governance includes *participation, legitimacy, accountability, inclusiveness, transparency, effectiveness, and authority*.

Evaluation and metrics

- How do we build off and support the work of scholars on evaluation? Can we make common investments in evaluation? Would it be useful to share the state of the art in evaluation at each of our institutions?
- Do we have agreement on what evaluation means? We often mix different things in our discussion. There are three separate aspects: research to develop mid-range theories of change, results assessments of specific projects, and broader measurement of changes in governance at a country (or other) level.
- It is hard to measure anything until we have better theories of change to test. But we can define the functional outcomes we are looking for. These outcomes should be neutral to the different theories of change underlying projects and measure something in the middle of the chain between project and country outcomes. It may be that in certain civil service contexts you don't go straight to meritocratic recruitment and instead recognize that patrimonialism can contribute to stability.
- We should focus on developing high-quality metrics instead of dumping a large number of different indicators on countries.

Managing risk

- We don't know how to take risks. This is a political challenge, because we don't want to appear to be failing. Yet in many of our governance projects, the chances of total success are quite small.
- There is also a management and organizational challenge of giving staff space to take risks so it doesn't hurt their career. Upper management may encourage innovation, but institutional incentives continue to work against risk-taking.

How to move forward?

Existing resources

- The OECD DAC is already working on many of these issues. GOVNET has an evaluation network and has created a working group on impact assessments. It is also working on public

sector governance evaluation and governance indicators. Donors could support and build on this work.

- The European Commission has done some work on integrating governance into sectors.

Areas of focus

- We are a group of development practitioners and scholars, which distinguishes us from the DAC as a group of donors. What is our comparative advantage?
- The comparative advantage of this group is not expertise in evaluation methodology. Instead, a project of work on metrics, theories of change, and risk-taking would be valuable. Other priority issues could be integrating governance across sectors and examining why political economy analysis has not gotten the traction it should within our institutions.
- It would be useful to start thinking about the post-Millennium Development Goals international aid framework and how we could strengthen the place of governance within it.

Expanding the group

- Should we bring in a broader set of people, including people from the South? The initial idea was to have this meeting in Delhi. We could invite a wider range of people and see if there is a broad commitment to working on something like a Governance Commission or a post-2015 agenda. If we want to develop metrics that have resonance beyond the familiar crowd, we need to look different and develop a broader international consensus.
- I don't think this group should be expanded; it is perfectly legitimate for donors and scholars to come together. But we should be modest about what we can accomplish.
- Even if this remains a donor group, we should bring in other donors like the European Commission and the Swedes, and maybe the Japanese.

Concrete possibilities for future collaboration

- Momentum is building around a post-2015 framework and we should be part of that discussion. It would be useful to have a group thinking about the Millennium Development Goals and the place of governance in the international aid framework.
- We could form working groups on each of our priority issues of metrics, theories of change, risk, integration, and political economy analysis. Or someone could take responsibility to check in on how these issues are evolving at each of our organizations. Then we could meet again in six months and see how we are doing.
- We could hold a workshop specifically on the integration of governance into traditional areas of assistance, sharing the experiences of different aid actors and making recommendations for how to carry forward such integration.
- We could hold a conference on available evaluation tools. J-PAL held a joint USAID-World Bank conference on education; could we do something similar on governance? We could examine what methods work best in which situations and match policymakers and academics working on similar issues.
- We should share training documents and perhaps hold joint trainings on issues such as political economy analysis. USAID is already reaching out to the World Bank to do this.
- We could invest in joint research.
- Not everyone needs to cooperate on every issue; some collaboration may be just between two or three interested donors while other topics can be addressed in a larger group.